



**UNITED STATES INTERAGENCY COUNCIL  
ON HOMELESSNESS**

**PERFORMANCE AND ACCOUNTABILITY REPORT,  
INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
SEPTEMBER 30, 2015 AND 2014**

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## Preface from the Executive Director



The U.S. Interagency Council on Homelessness (USICH) implements *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness (Opening Doors)*, the nation's first comprehensive Federal strategic plan to prevent and end homelessness, which was launched in 2010. Between 2010 and 2014, based on the annual Point-in-Time counts, the nation has reduced homelessness by an estimated 10 percent overall, including an estimated 25 percent reduction in unsheltered homelessness. Our progress ending homelessness extends to each of the goals set forth in *Opening Doors*. Between 2010 and 2014, homelessness among people in family households is estimated to have declined by more than 15 percent, including a 53 percent reduction in the number of unsheltered families, and chronic homelessness fell by 21 percent.

Additionally, homelessness among Veterans has been reduced by an estimated 33 percent, including a 43 percent drop in the number of Veterans living on the streets, in cars, or in abandoned buildings. Complementing and helping drive this national progress, a growing number of cities and states across the country have announced that they have effectively ended Veteran homelessness, proving that an end to homelessness is achievable. At the same time, while recognizing that progress must still be made in our efforts to effectively count youth experiencing homelessness, we are scaling up our efforts to end youth homelessness, to identify the most effective interventions and strategies, and to help communities to expand their capacity to meet the diverse needs of this population.

The strategies in *Opening Doors* emphasize evidence-informed practices and policies built on data and performance measurements. The Plan focuses on innovation—valuing the adoption of new practices, policies, and strategies that more effectively advance work to prevent and end homelessness. Our assessment—supported by input from hundreds of stakeholders in the field—is that the original Plan focuses on what remain the right objectives and strategies, but also that it is important to ensure that the Plan retains its relevance and effectiveness as a blueprint with the latest knowledge and best practices to prevent and end homelessness. To that end, we issued an amendment to the Plan in 2015 to update information and add new strategies to reflect lessons learned since 2010, ranging from using data to drive performance, the role of Medicaid in covering housing-related services, and various strategies that clarify the way that homelessness crisis services must be retooled.

Now, more than ever, we know what works and are using this knowledge to shape strategic approaches and influence actions that:

- Integrate mainstream systems with targeted homeless programs.
- Improve efficiencies and outcomes through better targeting of existing and new resources.
- Implement widespread adoption of evidence-informed practices.
- Form partnerships among funders, service providers, and policy makers to implement reforms.
- Use data to measure outcomes and drive performance.

The implementation of the Plan has led to measurable progress and a clear sense of what is needed to fully realize the Administration's goals of ending homelessness to ensure that everyone in this country has a safe and stable place to call home.

## I. Introduction

USICH was established in 1987 by the Stewart B. McKinney Homeless Assistance Act (amended as the McKinney-Vento Homeless Assistance Act). USICH's mission is to:

"Coordinate the Federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal government in contributing to the end of homelessness." <sup>1</sup>

Pursuant to this mission, USICH launched *Opening Doors* in June 2010. The Plan serves as a roadmap for joint action by USICH and the 19 Federal departments and agencies that make up the Council, as well as national and community partners across the country. The central idea underlying *Opening Doors* is that no one in America should be without a safe and stable place to call home. The Plan provides a framework for achieving its goals, and through its implementation, forges strong and lasting partnerships with community leaders on the front lines in the fight to end homelessness. At the same time, *Opening Doors* is a living document and reflects the latest knowledge about what works, as well as the current state of progress on the Plan's goals. This year, amended the Plan by changing the goal of ending chronic homelessness from 2015 to 2016. Work to amend the Plan began in FY 2014 and was completed in FY 2015.

USICH is a model of successful interagency collaboration (as highlighted in a 2014 GAO report<sup>2</sup>) and local engagement. Our ability to inform Federal policy is based on engagement with local stakeholders. USICH does not administer programs or have regulatory authority; rather, our tools for good governance come in the form of innovative collaborations and strategic engagements to drive smart, efficient systems change among our partners and stakeholders. Our focus on data and performance measurements seeks to maximize several billions of dollars in targeted homelessness funding by providing a foundation for evidence-informed practices.

USICH bridges siloed areas of government to achieve meaningful and effective collaborations. Our work is making a difference in communities. In Los Angeles, for example, over the past four years USICH and Federal partners at the Department of Veteran Affairs (VA), the Department of Housing and Urban Development (HUD), and the Department of Health and Human Services (HHS) generated an unprecedented culture of collaboration. Now, local HUD offices, VA medical centers, government entities, private enterprises, and nonprofit organizations are working together to address the problem of homelessness in smart and sustainable ways.

USICH interagency collaboration also extends to breaking down silos between health care and housing sectors. Over the past few years, USICH worked closely with HHS to clarify the types of supportive services critical to supporting housing stability, but also to improving mental and behavioral health covered under Medicaid. In addition, USICH worked with HUD to encourage the prioritization of people with high Medicaid service utilization and increase provider capacity to receive Medicaid payment for supportive services. The alignment of health care coverage with stable housing and case management is a key strategy of *Opening Doors*.

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<sup>1</sup> Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009.

<sup>2</sup> GAO Report GAO-14-220, *Managing for Results, Implementation Approaches Used to Enhance Collaboration in Interagency Group*. February 2014. <http://www.gao.gov/assets/670/660952.pdf>

## II. The Council

USICH is comprised of the heads (or their designees) of 19 Federal departments and agencies. The Council meets four times each year to review progress on *Opening Doors* implementation, make decisions to support collaboration among Council member agencies, and discuss opportunities to prevent and end homelessness. During these meetings, members review progress on *Opening Doors* population goals and sanction activities to support the Plan's implementation. Topics the Council have discussed in FY 2015 include: reviewing progress on ending Veteran homelessness, strategies to maximize mainstream resources to end homelessness, homelessness among families and youth, approving new strategies to end Native American homelessness, and actions to reduce criminal justice system involvement among people experiencing homelessness.

In 2015, DOL Secretary Thomas Perez was elected Chair of the Council and HHS Secretary Sylvia Burwell was elected Vice Chair. Starting next year, the Council elected Secretary Burwell to serve as Chair and ED Secretary Arne Duncan as Vice Chair.

In preparation for Council meetings, USICH meets with senior advisors to agency principals on a bi-monthly basis to set a strategic direction for the Council. USICH also provides a regular forum for member agencies to coordinate policies and programs, collect data, develop special initiatives, and prepare recommendations for consideration by Council members through its quarterly Council Policy Group (CPG) convening. CPG meetings this year focused on implementing *Opening Doors*, preparing for Council meetings, performance management, reviewing progress in priority communities, developing strategies to leverage mainstream resources, and discussing a proposed amendment to *Opening Doors*.

In addition to USICH member agencies, the White House Domestic Policy Council (DPC) and Joining Forces actively participate in Council activities. In 2014, First Lady Michelle Obama launched the Mayors Challenge to End Veteran Homelessness, which gained commitments from mayors, governors, and county officials from all over the country to end Veteran homelessness in their communities by 2015.

## III. FY 2015 Discussion of Plan/Performance Goals and Objectives

USICH continues to work with all levels of government, nonprofit organizations, and the private sector through the implementation of *Opening Doors*.

*Opening Doors* incorporates six core values:

- Homelessness is unacceptable.
- There are no "homeless people," but rather people who have lost their homes who deserve to be treated with dignity and respect.
- Homelessness is expensive; it is better to invest in solutions.
- Homelessness is solvable; we have learned a lot about what works.
- Homelessness can be prevented.
- There is strength in collaboration and USICH can make a difference.

The Plan serves as a roadmap for joint action by the 19 USICH Council member agencies and USICH staff, and has four goals, as also noted above and which serve as the Agency's performance goals:

*Opening Doors* contains four goals:

1. Finish the job of ending chronic homelessness by 2017.
2. Prevent and end homelessness among Veterans by 2015.
3. Prevent and end homelessness for families, youth, and children by 2020.
4. Set a path to ending all types of homelessness.

The Plan was amended in 2012 to add more information about educational outcomes for children and unaccompanied youth experiencing homelessness and amended again in 2015 in four key areas:

- Change the timing on the goal of ending chronic homelessness from 2015 to 2016.
- Clarify the role of Medicaid in financing services that support housing stability.
- Provide a clearer vision and additional strategies on retooling homeless services into crisis response systems.
- Discuss the importance of data and metrics and include an operational definition of an end to homelessness.

The goal is also supported by 10 objectives that cover five joint action items by the Federal government and its partners at the State and local levels.

*Increase leadership, collaboration, and civic engagement.*

*Objective 1:* Provide and promote collaborative leadership at all levels of government and across all sectors to inspire and energize Americans to commit to preventing and ending homelessness

*Objective 2:* Strengthen the capacity of public and private organizations by increasing knowledge about collaboration, homelessness, and successful interventions to prevent and end homelessness

*Increase access to stable and affordable housing.*

*Objective 3:* Provide affordable housing to people experiencing or most at risk of homelessness

*Objective 4:* Provide permanent supportive housing to prevent and end chronic homelessness

*Increase economic security.*

*Objective 5:* Improve access to education and increase meaningful and sustainable employment for people experiencing or most at risk of homelessness

*Objective 6:* Improve access to mainstream programs and services to reduce people's financial vulnerability to homelessness

*Improve health and stability.*

*Objective 7:* Integrate primary and behavioral health care services with homeless assistance programs and housing to reduce people's vulnerability to and the impacts of homelessness

*Objective 8:* Advance health and housing stability for unaccompanied youth experiencing homelessness and youth aging out of systems such as foster care and juvenile justice

*Objective 9:* Advance health and housing stability for people experiencing homelessness who have frequent contact with hospitals and criminal justice

*Retool the homeless crisis response system.*

*Objective 10:* Transform homeless services to crisis response systems that prevent homelessness and rapidly return people who experience homelessness to stable housing

Accomplishing the goals of *Opening Doors* requires leadership at all levels of government and strong partnerships with businesses, researchers, philanthropy, and nonprofits. It also demands a commitment to reassessment and the ability to alter course based on changing conditions and lessons learned.

## **FY 2015 Plan/Performance Goals Progress**

The 2015 Point-in-Time (PIT) count shows a steady and significant decrease in national rates of homelessness since the launch of *Opening Doors*. This progress is evidence that the Obama Administration has significantly impacted the trajectory of homelessness. The progress is particularly remarkable given that much of it took place during an economic recession.

### **Annual Update to *Opening Doors***

Pursuant to the *HEARTH Act*, USICH is required to publish an annual update on progress towards *Opening Doors*. The report examines the accomplishments of Council member agencies, as well as barriers to implementation. While the report serves as an update to both Congress and the public, it is also an opportunity for Council member agencies to evaluate their performance and make necessary adjustments. The 2015 report is currently underway and will be published in FY 2016.

### **Goal 1: Finish the Job of Ending Chronic Homelessness in 2016**

According to HUD's Annual Homeless Assessment Report (AHAR), 84,291 individuals experience chronic homelessness throughout the nation on a single night in January 2015. The human and fiscal toll of chronic homelessness is high. People experiencing chronic homelessness are extremely vulnerable and the longer they remain without housing, the more likely that their health will deteriorate. By ending chronic homelessness, the Federal government can demonstrate its ability to solve one of the most visible, costly, and seemingly intractable manifestations of homelessness.

Research indicates people experiencing chronic homelessness disproportionately contribute to public costs due to repeated encounters with publically funded systems such as shelters, jails, emergency rooms, hospitals, and behavioral health care services. Studies estimate that the average total annual public costs



generated by each individual experiencing chronic homelessness ranges from \$40,000 to over \$70,000.<sup>3</sup> Taking the lower estimate of the annual public costs and the total current population of people experiencing chronic homeless population, this suggests that allowing chronic homelessness to persist costs the American public nearly \$3.4 billion annually.

### **Interagency Working Group on Chronic Homelessness**

Despite a 21 percent reduction in chronic homelessness since 2010, there is still work to do. In FY 2013, USICH launched an Interagency Working Group on Chronic Homelessness to develop key strategies needed to achieve the goal of ending chronic homelessness. The working group focuses on implementing activities to accelerate progress on ending chronic homelessness, including: increasing access to permanent supportive housing opportunities, aligning Federal policies, funding, messaging and technical assistance, and securing the requested resources in FY 2015 to bring permanent supportive housing to scale. During FY 2015, the working group:

- Increased the availability of permanent supportive housing for people experiencing chronic homelessness by 13,000 units, with an additional 14,000 units anticipated, through improved targeting and reallocation of existing resources.
- Provided technical assistance and messaging around topics like Housing First, the prioritization of people experiencing chronic homelessness in permanent supportive housing, outreach and engagement, working with the criminal justice system, and systems change.
- Supported and issued guidance on the President's FY 2016 Budget request to increase the national supply and availability of permanent supportive housing to a scale needed to achieve the goal of ending chronic homelessness in FY 2017.
- Created a Supportive Housing Opportunities Planner (SHOP) tool intended to help CoC Program funding make strategic decisions regarding the use of CoC Program funds for supportive services. The tool can help CoC's make assessments and learn which types of CoC program-eligible supportive services are likely to have mainstream HS-funded programs as an alternative sources.
- Began work in FY 2015 with Federal and National partners to develop and implement a National Boot Camp in FY 2016 on aligning housing and healthcare systems to bring supportive housing to scale.
- Disseminated the Medicaid Primer by developing and publishing four fact sheets, conducting two webinars, and directing state engagement in at least three states.
- Began work in FY 2015 to publish a report on strategies to align efforts to end chronic homelessness and efforts to comply with the community integration mandate under Title II of the ADA.
- Published a joint interagency guide, co-authored by SSA, HHS and VA, on key strategies for connecting people experiencing homelessness to SSI and SSDI.

### **Reentry Council: Housing/Homelessness Sub-Committee**

USICH staff participates in DOJ's Reentry Council and lead the Housing and Homelessness sub-committee, as a way to increase alignment between Department of Justice (DOJ) led re-entry work and USICH-led work on ending chronic homelessness.

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<sup>3</sup> Culhane, DP., Metraux, S., Hadley, T. (2002) "Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing." Housing Policy Debate 13(1): 107-163. Economic Roundtable (2009). "Where We Sleep: Costs When Homeless and Housed in Los Angeles." [http://shnny.org/uploads/Where\\_We\\_Sleep.pdf](http://shnny.org/uploads/Where_We_Sleep.pdf)

## **Goal 2: End Homelessness among Veterans in 2015**

Ending homelessness among Veterans by 2015 is a national priority and one that has widespread bi-partisan support. HUD's 2015 AHAR reported that 49,933 Veterans are experiencing homelessness. This figure reflects a 33 percent reduction since 2010, including a 43 percent reduction in Veterans living on the street, in cars, abandoned buildings, or otherwise unsheltered. In the final push toward the Veteran goal, there is a need to ensure seamless coordination and capacity at the national and local level.

### **Solving Veteran Homelessness as One**

Solving Veterans Homelessness as One (SVHO) is an interagency decision making body of USICH, HUD, and VA officials, tasked with implementing strategies to end homelessness among Veterans. SVHO plans and executes strategic actions through goal setting, policy gap identification, communication, and action.

In FY 2015, SVHO focused on the goal of ending Veteran homelessness by the end of 2015. Much SVHO's work examined ways to leverage Federal resources and support state and community-level efforts to engage and assist Veterans experiencing or at-risk of homelessness.

Some examples of SVHO's work this year include the following:

- Finalized and implemented an Interagency Work Plan to ensure Federal agencies use all the tools they have at their disposal toward reaching the goal.
- Developed a confirmation process for communities, in partnership with VA and HUD, to review and validate community claims of ending Veteran homelessness. During this process, community data is reviewed against a set of criteria and benchmarks, which allows Federal partners to determine whether the goal has in fact been achieved.
- Accelerated the deployment of the HUD-Veterans Affairs Supportive Housing (HUD-VASH) and Supportive Services for Veteran Families (SSVF) programs.
- Increased and aligned staff resources to support community level efforts to end Veteran homelessness.
- Achieved interagency consensus among USICH, HUD, and the VA on specific criteria and benchmarks for ending Veteran homelessness in order to guide communities as they take action to achieve the goal.
- Supported Mayors' offices and other local stakeholders to use the Mayor Challenge criteria for ending Veteran homelessness, to set local goals, to measure progress, and to document the achievement of the goal.
- Identified and highlighted communities that reached the goal this year, including: New Orleans, Houston, Mobile, Troy, Saratoga Springs, Flagler County, Lancaster, Fayetteville, Winston-Salem, and Las Cruces.
- Disseminated guidance and materials to communities, including the 10 strategies to End Veteran Homelessness, Mayors Challenge success stories, and coordinated entry guidance.
- Identified and promoted ways communities can improve data sharing, analysis, and where feasible, data integration among VA-funded and HUD-funded providers.
- Promoted the integration of targeted Veterans programs into coordinated entry systems in communities to improve their ability to match interventions to the needs of Veterans who experience or are at-risk of homelessness in their communities.

- Coordinated with the 25 Cities TA effort to foster coordinated assessment and entry systems that align the resources of CoCs and local VA programs and services.
- Worked with Joining Forces to engaged philanthropy and private sector on the implementation initiatives that include Welcome Home Kits, Housing Navigators, and landlord engagement.

### **Goal 3: End Homelessness among Families and Children in 2020**

Data from HUD indicates that 67,613 families were homeless at a point-in-time in 2015. Data from HUD's most recent AHAR indicates that a larger number—167,000 families—were homeless and sheltered at some point in 2012. Department of Education (ED) data, which includes doubled-up households, indicates that more than *one million* school-age children and their families were homeless at some point during the 2012–2013 school year.

The cost of family homelessness is high and impacts a number of systems; but more importantly families experiencing homelessness have lasting detrimental social impacts. When families become homeless the experience itself is traumatizing, especially for homeless school-age children who are also more likely to have emotional problems such as anxiety, depression, withdrawal, and manifestation of aggressive behavior. Repeated school mobility also leads to decreased academic achievement. Ending family homelessness requires leveraging national priorities around closing the achievement gap, increasing graduation rates, and improving economic stability for future generations.

#### **Working Group on Family Homelessness**

During FY 2015 USICH co-led a 13-agency Interagency Working Group on Family Homelessness to identify resources and key strategies needed to achieve the goal of ending homelessness among families and children by 2020. The working group developed short-term and long-term strategies, including:

- Developed, published, and disseminated resources on effective centralized or coordinated assessment systems with capacity to connect families to targeted prevention assistance where possible and temporary shelter as needed.
- Hosted a second right-to-shelter convening for 3 participating communities and continued to provide support.
- Target Federal resources to provide rapid re-housing assistance to the majority of families experiencing homelessness, increase access to affordable housing, and help communities target resources so that longer and more service-intensive housing interventions are directed to the highest need households.
- Developed and published tools to support leveraging mainstream resources and systems, and coordination with targeted programs. Began work to develop and disseminate comprehensive lists of key mainstream resources for ending Federal homelessness that will continue into FY 2016.
- Assisted ED and HUD in better aligning agency data and promoted local data sharing between CoCs and LEAs.
- Co-authored and released guidance with NAEH summarizing research on transitional housing, including results from the Family Options study, and published guidance and resources on the role of transitional housing on ending family homelessness.

- Began work with ASPE to disseminate key findings including resources for addressing the needs of pregnant and parenting youth experiencing homelessness as part of ASPE’s targeted research project.
- Assisted HUD to design special purpose voucher program for families and secured these investments.

#### **Goal 4: End Homelessness for Youth in 2020**

The number of unaccompanied youth (between 12 and 24 years old) experiencing homelessness is unknown due to barriers that exist for young people and their lack of connection to most social services. Notwithstanding a lack of information, research shows a high prevalence of depression, suicide initiations, and other mental health disorders among youth experiencing homelessness. Chronic physical health conditions and high rates of substance abuse disorders are common among homeless youth. Many youth that become homeless have histories of academic difficulties including suspension and expulsion. They are more likely to engage in risky behaviors and have higher rates of arrests and convictions. It is also established that homeless youth incur higher rates of medical and behavioral health care and incarceration costs; however, we need better data on the expense associated with youth homelessness.

There is also a severe lack of capacity in nearly every community to address the needs of youth experiencing homelessness. Where programs and services do exist, they often times operate in isolation and within “silos” dictated by funding sources. Among youth-serving programs, there is often a lack of cultural competency to address needs of LGBTQ youth and youth of color.

#### **Working Group on Youth Homelessness**

The Council initially took steps to address youth homelessness in 2012 through the adoption of the *Framework to End Youth Homelessness: A Resource Text for Dialogue and Action*, which sets forth two areas of action for ending youth homelessness: 1) increasing knowledge of the scope and nature of youth homelessness; and 2) increasing community capacity to prevent and respond to youth homelessness. This Framework was developed for Federal, State, and local stakeholders as a resource to achieve better youth outcomes in stable housing, permanent connections, education, employment, and well-being. As part of the Federal strategy to implement the *Framework to End Youth Homelessness*, USICH developed an interagency working group on homelessness focused on improving the knowledge of the prevalence and needs of youth experiencing homelessness as well as breaking down silos between programs and services that serve youth who are at risk of homelessness.

In FY 2015, USICH continued to lead an interagency working group on youth homelessness focused on assisting communities in implementing the *Framework to End Youth Homelessness*. During FY 2015, this group accomplished the following:

- Published a public-facing vision for a coordinated community response to youth homelessness, which articulates strategies to collaborate across funding streams.
- Drafted and submitted a comprehensive report to Congress on Federal efforts to end youth homelessness, including recommendations that could impact practices, policies and funding.
- Convened a sub-group to develop preliminary metrics to define an end to youth homelessness.

- Developed molding around the set of interventions and resources needed to end youth homelessness in 2020.
- Issued guidance and tools to clarify youth eligibility for HUD’s homelessness assistance programs.
- Advanced steps towards the integration of the RHYMIS and HMIS data systems.
- Co-convened a Policy Briefing at the White House to discuss how to strengthen capacity and ways to obtain better data in systems and organizations serving youth.

#### **IV. Other Council Work to Support Opening Doors’ Implementation and Success**

##### **Affordable Care Act (ACA)**

The implementation of the Affordable Care Act (ACA) offers States the opportunity to design health care benefits and delivery systems to support permanent supportive housing. As such, ACA offers an unprecedented opportunity to scale up supportive housing and target it toward people experiencing homelessness for long periods of time with chronic health conditions.

During FY 2014, USICH provided technical assistance to several states around ways to leverage Medicaid to finance services in permanent supportive housing. USICH also provided a training for states participating in the National Governors Association’s Policy Academy on Medicaid Super-utilizers on permanent supportive housing. In October 2014, HHS released two new documents that provide guidance on how States can cover services in permanent supportive housing under Medicaid. Council agencies are now working to disseminate these tools and exploring a technical assistance initiative to assist States and communities in adopting the options outlined in the documents.

##### **Increase Access to Mainstream Resources**

Targeted homeless resources alone will not end homelessness. Accessing mainstream resources, including education, employment, housing, health care, and financial supports are critical for all populations and the overall success of *Opening Doors*. In FY 2015, Council agencies focused on eight Federal programs to leverage resources for ending homelessness, including: public housing and Housing Choice Vouchers, multifamily housing, workforce systems, schools, TANF, Head Start, Medicaid and Social Security benefits. The Council used these policy levers to undertake six actions: bright spotting model examples, using guidance to clarify policy, messaging to elevate attention, providing TA and tools, engaging industry groups, and partnering with national experts. Key accomplishments in 2015 included the following:

- Convened an employment summit, along with DOL and HUD, highlighting examples of collaboration between workforce systems and efforts to end homelessness. Developed and disseminated a report and tools that resulted from the Summit. Disseminated HHS’ tools regarding the role of Head Start in improving early childhood outcomes for children experiencing homelessness and encouraging partnerships between Head Start and homeless services programs.
- Encouraged public housing authorities and multifamily housing owners to prioritize admission to households experiencing homelessness.
- Disseminated CMS’ information bulletin on how states can cover housing-related services under Medicaid.

- Encouraged mainstream systems like TANF and Medicaid to more systematically identify homelessness and housing status.
- Supported Continuums of Care to engage mainstream systems in community-level efforts to prevent and end homelessness.
- Strengthened collaborations between SSA field offices and homeless services organizations.
- Provided more specific tools to help mainstream systems to prioritize assistance to people experiencing homelessness wherever possible.

## **National Implementation of *Opening Doors***

USICH continues to support local implementation of the strategies outlined in *Opening Doors* through engagement with regional and State coordinating bodies, elected officials, PHAs, and community leaders. USICH provides a range of targeted community engagement and technical expertise in communities through the implementation of place-based work, partnerships, and strategic communications.

USICH has six full time employees (FTEs) based in communities throughout the United States serving National Initiatives team. USICH uses the majority of its travel funding to enable members the National Initiatives team and other USICH staff to travel to communities and provide on-the-ground support and guidance, to facilitate important meetings, deliver presentations and training sessions, and help ensure that local communities are using Federal, State, and local resources in alignment with best practices. USICH's staff is also resourceful in leveraging virtual technology to support these communities. The focus in States and local communities in 2015 included the following examples:

- Provided information to the field and shared real world challenges in implementing Federal programs back to agencies to resolve and better support community level efforts, improving crucial partnerships between states, communities, and the Federal government necessary to accomplishing our goals on ending homelessness.
- Built collaborations at the local and state levels, directly convening people to form new collaborative structures (as we have done in Los Angeles, for example).
- Provided guidance and strategic direction to existing local leadership (as we have done in Honolulu, Seattle, Detroit, and New York among many other examples) to implement a more coordinated approach to homelessness.
- Provided technical assistance and capacity building through the expertise of the members of our National Initiatives Team, and through the deployment and implementation of tools and resources created by USICH and our partners.
- Guided the implementation of technical assistance being provided through other Federal agencies and foster peer-to-peer connections that enable community partners to learn from each other's innovations and successes.

## **Priority Communities**

In FY 2015, USICH directly engaged with partners within twenty-five (25) communities that are home to majority of people experiencing homelessness in the country by strengthening local collaboration, helping communities target resources, and providing technical assistance and strategic messaging. These communities were selected by USICH based on an analysis of the Point-in-Time (PIT) Count and other relevant data sources. Progress on homelessness nationwide is dependent on progress in these

communities, which accounted for 37 percent of all people experiencing homelessness according to the 2015 PIT Count. USICH activities in 2015 included the following:

- Continued coordination of technical assistance efforts provided through the Mayors Challenge, helping Mayors take action on their public commitments to end Veteran homelessness
- Continued coordination of technical assistance efforts provided through the 25 Cities effort, a joint efforts with VA and HUD that is providing the 25 Priority Communities with guidance and support for developing coordinated entry systems to ensure the most effective, targeted use of Federal, state, and local resources.
- Continued coordination of technical assistance efforts provided through the HUD-funded Zero: 2016 initiative, whereby more than 70 communities, including 4 states, receive technical assistance to strengthen their efforts to drive to the end of Veteran homelessness by the end of 2015 and the end of chronic homelessness by the end of 2016.
- Provided guidance and technical assistance to help communities continue to improve their assessment and prioritization processes, to take initial systems to full geographic coverage within their jurisdictions, to align mainstream systems and resources more fully with the coordinated entry systems that have been developed, and to ensure that such systems are effectively reaching all populations experiencing homelessness.
- Provided guidance and technical assistance to help communities continue assessments and the prioritization processes, to take initial systems to full geographic coverage within their jurisdictions, to align mainstream systems and resources more fully with the coordinated entry systems that have been developed, and to ensure that such systems are effectively reaching all populations experiencing homelessness.
- Worked with HUD to engage its mainstream housing resources in 10 communities. This work included convening and working with local partners and helping guide the implementation of technical assistance and the development of a toolkit to help communities engage mainstream housing resources.
- Expanded work in support of state-level planning and coordination activities, especially in the 17 states that include priority communities. This focus will continue in the upcoming year, including an emphasis on supporting the activities of states' interagency councils on homelessness and providing guidance on the use of mainstream resources (such as Medicaid, TANF, and affordable housing funding) to create housing and services opportunities for people exiting homelessness.

## **Partnerships**

USICH advances the implementation of *Opening Doors* by fostering strategic partnerships on initiatives, amplifying key messages, and identifying opportunities for collaboration. In FY 2015, the Council saw considerable success from partnership activities.

### **Philanthropic Partners & Advocates**

As States and communities face challenges due to constrained resources, philanthropic organizations are increasingly becoming dedicated to serving populations at-risk of or experiencing homelessness. Coordination amongst all of these stakeholders is essential to achieving the goals of the Plan. In an effort to foster greater public-private partnerships in FY 2015, USICH has:

- Promoted leadership in local planning efforts and awareness of evidence-based approaches among philanthropy and private funders.
- Partnered with Funders Together to End Homelessness and convened funder networks around opportunities for collaboration.
- Engaged local leaders on ways to involve philanthropy and coordinate efforts with funders at the community planning table.
- Provided guidance and technical assistance to Funders Collaborative in several communities, including: Los Angeles, Houston, and San Diego.
- Partnered with Funders Together to End Homelessness to plan for a community of practice focused on ending youth homelessness.
- Engaged local leaders on better ways to involve philanthropy and coordinate efforts with funders at the community planning table.
- Collaborated with *Joining Forces* and local communities to identify resource gaps specific to ending Veteran homelessness and to partner with philanthropy to strategically target resources.

Additionally, USICH hosts quarterly meetings with national advocacy organizations and Council agencies, creating a rare opportunity for open dialogue among stakeholders and policy makers from multiple agencies. Participants of the quarterly advocates meetings planned a series of topics to facilitate ongoing opportunities for public-private collaboration. In FY 2015, the meeting dealt with topics such as: Council priorities for the year, the Amendment, mainstream systems, ending youth homelessness, coordinated entry systems, criminal justice work, SSI/SSDI strategies, ending family homelessness, and the President's FY 2016 budget request. USICH will continue these meetings as a way of maintaining transparency, momentum, and public-private partnerships.

## 25 Cities Effort

USICH works closely with VA, HUD, and technical assistance providers on the implementation of the 25 Cities effort. 25 Cities is an initiative that provides technical assistance and mobilizes local planning efforts and partnerships to create effective systems for aligning housing and service interventions through coordinated systems. The aim of this effort is to assist communities in the alignment of coordinated assessment and entry systems. If a community is already developing a coordinated system that targets specific populations experiencing homelessness (e.g., families with children, single adults, and/or youth), this initiative works to enhance that system to address the housing needs of all populations.

Leaders and teams from each community optimize access to existing housing opportunities, with support from technical assistance providers, in turn accelerating the number of permanent housing placements each month for Veterans experiencing homelessness and individuals experiencing chronic homelessness. 25 Cities supports community teams in setting aggressive 100-day goals and uses these goals to stimulate innovation and increase collaboration.

Local teams made significant progress in implementing standardized assessments of large segments of the population and are increasingly focused on using the data gathered to drive policy and funding decisions in order to better align housing and services. Continued implementation of the 25 Cities efforts will remain an important emphasis of USICH's work throughout FY 2016.



## Mayoral Partnerships

Mayors are critical partners in local community efforts to prevent and end homelessness, and in FY 2015 USICH expanded its strategies for engaging these local leaders. This year USICH's partnerships with mayors included the following:

- Continued work with HUD and Joining Forces to continue implementation of the Mayors Challenge to End Veteran Homelessness, engaging a growing coalition of mayors, governors, and county officials that signed on to the challenge and committed to ending Veteran homelessness in their communities by the end of 2015.
- Aided the mayors in pursuit of this goal by organizing peer learning conversations between mayoral staff with shared interests and concerns.
- Developed specific criteria for ending Veteran homelessness to help guide communities as they take action to achieve the goal.
- Supported increased collaboration between mayors and other local stakeholder efforts in order to increase community and state capacity to end homelessness.
- Provided mayors resources and enforced programs to strengthen homeless assistance programs.
- Engaged individual mayoral meetings to provide guidance and resource ideas based on specific community needs and organized peer learning conversations between policy advisors to mayors.
- Leveraged expertise from mayors already making significant progress towards the goals of *Opening Doors* to share promising practices and create momentum with other communities across the country
- Collaborated with the non-partisan U.S. Conference of Mayors (USCM) to participate in USCM's semi-annual meetings and deliver presentations at several difference committee meetings, including USCM's Hunger and Homelessness Task Force, Housing and Community Development Committee, and Veterans Task Force.

## Amendment to *Opening Doors*

USICH released the Amendment on June 22, 2015, the fifth (5<sup>th</sup>) anniversary of *Opening Doors*. USICH completed the amendment to *Opening Doors* by adding new strategies to the Plan in order to reflect what we have learned since 2010 when it was first launched. Throughout the process of amending the Plan, USICH engaged input from key stakeholders and identified places where changes were needed to ensure that *Opening Doors* remains a living document, containing the most current knowledge and practices for ending homelessness. USICH determined that amendments were needed in the following four areas:

- Amended the timing of the goal of ending chronic homelessness from 2015 to 2017, due to a lack of Congressional support for the expansion of permanent supportive housing.
- Provided clarification on the role of Medicaid in financing services in permanent supportive housing.
- Provided a clearer direction on Federal strategies for retooling homeless services into crisis response systems.
- Highlighted the importance of data in ending homelessness, including articulating an operational definition for an end to homelessness.

In developing the Amendment, USICH sought multiple opportunities for input, feedback, and collaboration. Specifically, to obtain stakeholder input on the Amendment, USICH convened listening sessions in 11 communities. These sessions enabled USICH to get a sense of the current progress and challenges with implementing *Opening Doors* at the community level. USICH also

solicited input through an online crowd-sourcing platform by producing an interactive website for public comment on the Plan's themes which produced 7,734 visits and 2,318 individual comments. USICH and Council agencies incorporated stakeholder input in revising the Plan in the key areas identified. USICH also updated the Plan with more current data and also carried forward the changes made in the 2012 Amendment.

## **Communications**

USICH deploys a comprehensive annual communications strategy to support the goals of the Agency and the implementation of *Opening Doors*. The strategy includes a variety of tools and tactics based on an ongoing analysis of our communications objectives and key audiences. USICH works in collaboration with its member agencies to share information with policymakers and leaders at the Federal, state and local levels. We also provide tools, information, and resources to enhance the capacity of communities to implement solutions to homelessness.

For example, two of USICH's top communications objectives planned for and executed in Fiscal Year 2015 included:

- Built a drumbeat nationwide to end Veteran homelessness collaboratively with Council agencies on a variety of activities to promote the achievements of communities that were making progress toward the goal and to inspire greater progress in other communities.
- Promoted the 2015 amendment to *Opening Doors* through a coordinated communications strategy with our Federal and national partners, including speaking engagements, online publishing, and social media.

## **Online Publishing and Social Media Engagement**

- Website is the go-to resource for Federal guidance on the solutions to homelessness and the tools to build the systems needed to get there. In Fiscal Year 2015, USICH published 25 new reports, tools and other resources on the site.
- The number of visits to the website grew by 39 percent over Fiscal Year 2014, to 350,000 visits.
- Website features the popular USICH Blog, which drives a national discussion around best and promising practices in a variety of issue areas related to ending homelessness. We published 75 blogs in Fiscal Year 2015 from USICH policy experts, nonprofit and community leaders, researchers, and Federal partners.
- Developed and distributed 24 newsletters and alerts by the end of Fiscal Year 2015 to reinforce policy priorities, engage stakeholders, and promote understanding of the Administration's efforts to prevent and end homelessness. Our distribution list contains more than 13,000 subscribers. USICH uses social media to increase the reach of our information on promising practices and successful community solutions. During Fiscal Year 2015, engagement on Facebook has grown by 41 percent over Fiscal Year 2014 so far, and the number of followers on Twitter by more than 53 percent over Fiscal Year 2014.

## **In-Person Engagement and Events**

- USICH Executive Director Matthew Doherty and Secretaries of HUD, VA, and Labor participated on a three-city swing to draw national attention to the efforts and progress of

Houston, TX, Tucson, AZ, and Las Vegas, NV through public events, press outreach, social media, and online publishing.

- Helped organize several convening's to advance the priorities of *Opening Doors*. Examples include:
  - In October 2014, representatives from workforce and housing agencies in 11 communities, national organizations, officials from the Federal government, and dignitaries from Canada convened for the Partnerships for Opening Doors Summit, which was devoted to integrating employment and housing strategies to prevent and end homelessness.
  - In January 2015, USICH, alongside the White House, VA and New Orleans Mayor Landrieu led a panel convening with mayors from across the country to discuss progress on ending Veteran homelessness, lessons learned from New Orleans and how mayors can lead their communities in reaching the goal.
  - In April 2015, USICH partnered with DPC, ED, HHS, HUD and the True Colors Fund to host a briefing and convening to learn about innovative practices, research on what we know about the prevalence and characteristics of youth experiencing homelessness, and the role of Federal agencies and partners in ending youth homelessness.
  - In July 2015, USICH worked with Joining Forces to convene a group of philanthropic organizations in Washington to educate them on the resources still needed to end Veteran homelessness and critical role that funders play in local success.
- Spoke at over one hundred public events, including conferences, briefings, and meetings, that targeted key audiences. Topics we covered included information related to all of Opening Doors' goals and objectives, with strong emphasis on topics related to Veteran homelessness, coordinated entry systems, Housing First practices, employment services, and engagement of mainstream systems.
- Facilitated workshops and trainings at conferences and convenings around the country in order to educate communities about the implementation of solutions to homelessness. For example, USICH staff facilitated more than a dozen workshops at the National Conference on Ending Homelessness and the National Conference on Ending Family and Youth Homelessness in Fiscal Year 2015.
- Played a key roles in the Corporation for Supportive Housing Summit and National Coalition for Homeless Veterans Conference.
- Hosted five webinars, averaging more than 700 attendees per event, on topics such as Leveraging Medicaid, Breaking the Cycle of Incarceration and Homelessness, and Early Childhood Self-Assessment Tool for Shelters. Participated in many and various webinars hosted by partners.

## **Media Relations**

- Interviewed by and quoted in the media in order to advance awareness of the solutions to homelessness and the actions that communities must take to build the infrastructure needed. Mentioned in the media more than 1,200 times.

## **Common Vocabulary and Data Standards**

USICH is working to develop and promote a common Federal vocabulary and data standard across all targeted homeless and key mainstream programs for low-income households. Work to develop a vocabulary began in 2011 as part of a Congressional mandate in the HEARTH Act and is critical to identifying and measuring the impact of people served by government programs.

USICH efforts in this area in FY 2015 included the following:

- Promoted the common data standard through the shared use of HMIS.
- Supported HUD and HHS in progress towards integrating HHS's Runaway and Homeless Youth Management Information System with HUD's Homeless Management Information System (HMIS).
- Promoted the use of HMIS for HHS's Projects for Assistance in Transition from Homelessness program, and participated in the process of integrating data from VA's homeless programs into HMIS.
- Supported HHS to provide guidance and tools to assist TANF agencies to identify families experiencing homelessness.

## **V. Agency Operations**

The success of *Opening Doors* is dependent on USICH's ability to maintain a highly skilled staff. USICH employee performance is tied directly to the Agency's mission, strategies, objectives, and overall performance.

In order to keep operational costs at a minimum and focus budgetary resources directly on accomplishing the Agency's mission, USICH outsources several major components of work to other government entities, namely the General Services Administration (GSA), via cost-sharing arrangements. These support areas include HR, finance, payroll, legal counsel, and EEO processing. USICH maintains control of the work and authorization processes, and GSA executes transactions and performs other operations support work as directed by USICH. USICH also outsources its website and network support to private entities. These mission support areas fall under the responsibility of the Agency's Director of Finance and Administration.

For FY 2015, USICH received an unmodified or clean audit opinion. USICH utilizes GSA's accounting system to track and report on its finances. No instances of improper payments occurred during FY 2015 or previous years.

## **VI. Financial Statements and Auditor's Reports**

As a Federal agency, USICH prepares annual financial statements in conformity with U.S. Generally Accepted Accounting Principles and undertakes an independent annual audit to ensure reliability in assessing the Council's financial health and performance. Each year, USICH prepares the following financial statements:

- Balance Sheet
- Statement of Net Cost
- Statement of Changes in Net Position

- Statement of Budgetary Resources

These statements are accompanied by corresponding notes. For FY 2015, the Council received an unmodified or clean audit opinion that the financial statements were fairly stated in all material respects. USICH manages its finance and payroll support functions through GSA's Heartland Finance Center, in Kansas City, MO. These transactions are supported by GSA's Pegasys accounting system, and other subsystems. During FY 2015, GSA received a favorable opinion on its SSAE No. 16 audit.

USICH's financial statements and notes are presented in the format required for the current year by OMB guidance such as Circular A-136, *Financial Reporting Requirements*, and other applicable guidance and are audited via the *Generally Accepted Auditing Standards* issued by the AICPA and the standards of financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, and other applicable guidance.

### **Balance Sheet**

The balance sheet presents the total dollar amounts available for use by USICH (assets) against the amounts owed (liabilities) and amounts that comprise the difference (net position). Total Assets for USICH total \$849,839 -- \$831,668 and are attributable to the Agency's Fund Balance with the Department of Treasury (Treasury), \$8,381 attributable to Accounts Receivable and \$9,789 attributable to Property, Plan and Equipment. Fund Balance with Treasury is funding available for specific fiscal years through the Department of Treasury accounts from which USICH is authorized to make expenditures and pay amounts due.

For depreciation purposes, a threshold of \$5,000 per item is used in order to determine capitalization. Capitalized property, plants, and equipment is recorded at original acquisition cost. Straight line depreciation and a useful life of five years are used in depreciation calculations. Acquisitions not meeting these criteria are recorded as expenses.

Total Liabilities equal \$439,603, including accounts payable, which consists of liabilities to other government agencies, commercial vendors, contractors and disbursements in transit. At fiscal year-end, USICH accrues the amount of estimated unpaid expenses. Also, at fiscal year-end, USICH accrues payroll for services rendered by USICH employees and leave accrued, but not yet paid out. To the extent current and prior-year appropriations are not available to fund annual leave earned but not taken, funding is obtained from future appropriations.

### **Statement of Net Cost**

This statement presents the annual cost of operating USICH. The gross cost less any offsetting revenue is used to arrive at the net cost of operations. All of USICH's costs incurred were directly related to the support and advancement of its mission and directives per the Administration and Congress. Net Cost of Operations for FY 2015 equals \$3,370,848.

## **Statement of Changes in Net Position**

The State of Changes in Net Position presents accounting items that caused the net position section of the balance sheet to change from the beginning to the end of the reporting period. USICH's net position for FY 2015 is \$410,236.

## **Statement of Budgetary Resources**

This statement provides information on how budgetary resources were made available to USICH and the status of those budgetary resources at year-end. USICH is funded through a congressional appropriation totaling \$3,530,000 for FY 2015. Net outlays for activity during FY 2015 totaled \$3,316,710.

## **Limitations of the Financial Statements**

As required by OMB Circular A-136, *Financial Reporting Requirements*, USICH discloses the following limitations on USICH's FY 2014 financial statements, which are contained in this Report. The financial statements are prepared to report the financial position and results of operations of USICH, pursuant to the requirements of 31 U.S.C. § 3515 (b). The statements are prepared from the books and records of USICH in accordance with Generally Accepted Accounting Principles (GAAP) for federal entities and the formats prescribed by OMB. These statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

**UNITED STATES INTERAGENCY COUNCIL  
ON HOMELESSNESS**

**INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
SEPTEMBER 30, 2015 AND 2014**

**PREPARED BY  
BROWN & COMPANY CPAs, PLLC  
NOVEMBER 16, 2015**



## BROWN & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

### INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Directors  
United States Interagency Council on Homelessness  
Washington, D.C.

#### Report on the Financial Statements

We have audited the accompanying balance sheet of the United States Interagency Council on Homelessness (USICH) as of September 30, 2015 and 2014, and the related statements of net cost, changes in net position, and budgetary resources, for the years then ended (collectively referred to as the financial statements), and the related notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted government auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Office of Management and Budget (OMB) Bulletin No. 15-02, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 15-02, require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes test of compliance with provisions of applicable laws, regulations, and contracts that have a direct effect on the determination of material amounts and disclosure in the financial statements. The purpose was not to provide an opinion on compliance with provisions of applicable laws, regulations and contracts and, therefore, we do not express such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion on the Financial Statements*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USICH as of September 30, 2015 and 2014, and its net costs, changes in net position, and budgetary resources for the years then ended, in accordance with U.S. generally accepted accounting principles.

#### *Other Matters*

#### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the information in the *Management's Discussion and Analysis* (MD&A) and *Required Supplementary Information* (RSI) sections be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. *The Message From The Executive Director* and the Other Information sections are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered USICH's internal control over financial reporting (internal control) to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of providing an opinion on internal control. Accordingly, we do not express such an opinion.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. During the audit of the financial statements no deficiencies in internal control were identified that were considered to be a material weakness. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether USICH's financial statements are free from material misstatement, we performed tests of its compliance with applicable provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. We limited our tests of compliance to the provisions described in the preceding sentence, and we did not test compliance with all laws, regulations and contracts applicable to USICH. The objective was not to provide an opinion on compliance with provisions of laws, regulations and contracts and therefore, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 15-02.

## **Management's Responsibility for Internal Control and Compliance**

USICH's management is responsible for (1) evaluating effectiveness of internal control over financial reporting based on criteria established under the Federal Managers Financial Integrity Act (FMFIA), (2) providing a statement of assurance on the overall effectiveness of internal control, and (3) ensuring compliance with other applicable laws and regulations.

## **Auditor's Responsibilities**

We are responsible for (1) obtaining a sufficient understanding of internal control over financial reporting to plan the audit, (2) testing compliance with certain provisions of laws and regulations that have a direct and material effect on the financial statements and applicable laws for which OMB Bulletin No. 15-02 requires testing, and (3) applying certain limited procedures with respect to the MD&A and other RSI.


We did not evaluate all internal controls relevant to operating objectives as broadly established by the FMFIA, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to testing internal control over financial reporting. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our audit results to future periods is subject to risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

We did not test compliance with all laws and regulations applicable to USICH. We limited our tests of compliance to certain provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB Bulletin No. 15-02 that we deemed applicable to USICH's financial statements for the fiscal year ended September 30, 2015. We caution that noncompliance with laws and regulations may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

**Purpose of the Report on Internal Control over Financial Reporting and the Report on Compliance and Other Matters**

The purpose of the Report on Internal Control over Financial Reporting and the Report on Compliance and Other Matters sections of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of USICH's internal control or on compliance. These reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering USICH's internal control and compliance. Accordingly, these reports are not suitable for any other purpose.

This report is intended solely for the information and use of the management of USICH, OMB, and Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.

  
Largo, Maryland  
November 16, 2015

## FINANCIAL STATEMENTS AND NOTES

**U.S. INTERAGENCY COUNCIL ON HOMELESSNESS**  
**BALANCE SHEET**

As of September 30, 2015 and 2014

|  |          | <u>2015</u>                 | <u>2014</u>                 |
|--|----------|-----------------------------|-----------------------------|
| <b>Assets:</b>   |          |                             |                             |
| <b>Intragovernmental:</b>  |          |                             |                             |
| Fund Balance With Treasury   | (Note 2) | \$ 831,668.49               | \$ 636,448.29               |
| <b>Total Intragovernmental</b>   |          | <u>831,668.49</u>           | <u>636,448.29</u>           |
| <b>Assets With The Public:</b>   |          |                             |                             |
| Accounts Receivable, net   | (Note 3) | 8,381.14                    | 884.58                      |
| General Property, Plant and Equipment, Net                               |          | <u>9,788.94</u>             |                             |
| <b>Total Assets</b>  |          | <u><u>\$ 849,838.57</u></u> | <u><u>\$ 637,332.87</u></u> |
| <b>Liabilities:</b>  | (Note 5) |                             |                             |
| <b>Intragovernmental:</b>  |          |                             |                             |
| Accounts Payable   |          | \$ -                        | \$ 116,218.00               |
| <b>Other:</b>  | (Note 6) |                             |                             |
| Employer Contributions and Payroll Taxes Payable                         |          | <u>15,023.85</u>            | <u>11,373.35</u>            |
| <b>Total Intragovernmental</b>   |          | <u>15,023.85</u>            | <u>127,591.35</u>           |
| <b>Liabilities With the Public:</b>                                      |          |                             |                             |
| Accounts Payable   |          | 254,282.23                  | 199,989.44                  |
| <b>Other:</b>  | (Note 6) |                             |                             |
| Accrued Funded Payroll and Leave   |          | 57,638.40                   | 43,884.40                   |
| Employer Contributions and Payroll Taxes Payable                         |          | 2,448.73                    | 1,957.42                    |
| Unfunded Leave   |          | <u>110,209.64</u>           | <u>89,270.13</u>            |
| <b>Total Liabilities</b>   |          | <u>\$ 439,602.85</u>        | <u>\$ 462,692.74</u>        |
| <b>Net Position:</b>   |          |                             |                             |
| Unexpended Appropriations - All Other Funds (Consolidated Totals)        |          | \$ 531,293.71               | \$ 292,044.11               |
| Cumulative Results of Operations - All Other Funds (Consolidated Totals) |          | (121,057.99)                | (117,403.98)                |
| <b>Total Net Position - All Other Funds (Consolidated Totals)</b>        |          | <u>410,235.72</u>           | <u>174,640.13</u>           |
| <b>Total Net Position</b>  |          | <u>410,235.72</u>           | <u>174,640.13</u>           |
| <b>Total Liabilities and Net Position</b>                                |          | <u><u>\$ 849,838.57</u></u> | <u><u>\$ 637,332.87</u></u> |

**U.S. INTERAGENCY COUNCIL ON HOMELESSNESS**  
**STATEMENT OF NET COST**

**As of And For The Years Ended September 30, 2015 & 2014**

|                               |          | <b>2015</b>                   | <b>2014</b>                   |
|-------------------------------|----------|-------------------------------|-------------------------------|
|                               |          | <hr/>                         | <hr/>                         |
| <b>Program Costs:</b>         |          |                               |                               |
| <b>USICH:</b>                 |          |                               |                               |
| Gross Costs                   |          | <u>\$ 3,370,847.93</u>        | <u>\$ 3,448,271.38</u>        |
| Net Program Costs             | (Note 7) | <u>3,370,847.93</u>           | <u>3,448,271.38</u>           |
| <b>Net Cost of Operations</b> |          | <u><u>\$ 3,370,847.93</u></u> | <u><u>\$ 3,448,271.38</u></u> |

# U.S. INTERAGENCY COUNCIL ON HOMELESSNESS

## STATEMENT OF CHANGES IN NET POSITION As of And For The Years Ended September 30, 2015 & 2014

FY 2015 (CY)

|  | Funds From Dedicated<br>Collections (Consolidated<br>Totals) | All Other Funds<br>(Consolidated Totals) | Eliminations | Consolidated Total |
|--|--|--|--------------|--------------------|
| <b>Cumulative Results of Operations:</b>       |  |  |              |                    |
| Beginning Balances                             | \$ -   | \$ (117,403.98)                          |              | \$ (117,403.98)    |
| <b>Budgetary Financing Sources:</b>            |  |  |              |                    |
| Appropriations used                            | -  | 3,272,680.42                             |              | 3,272,680.42       |
| <b>Other Financing Sources (Non-Exchange):</b> |  |  |              |                    |
| Imputed financing                              | -  | 94,513.50                                |              | 94,513.50          |
| Total Financing Sources                        | -  | 3,367,193.92                             | -            | 3,367,193.92       |
| Net Cost of Operations                         | -  | 3,370,847.93                             |              | 3,370,847.93       |
| Net Change                                     | -  | (3,654.01)                               |              | (3,654.01)         |
| <b>Cumulative Results of Operations</b>        | -  | (121,057.99)                             |              | (121,057.99)       |
| <b>Unexpended Appropriations:</b>              |  |  |              |                    |
| Beginning Balance                              | -  | 292,044.11                               |              | 292,044.11         |
| <b>Budgetary Financing Sources:</b>            |  |  |              |                    |
| Appropriations received                        | -  | 3,530,000.00                             |              | 3,530,000.00       |
| Other adjustments                              | -  | (18,069.98)                              |              | (18,069.98)        |
| Appropriations used                            | -  | (3,272,680.42)                           |              | (3,272,680.42)     |
| Total Budgetary Financing Sources              | -  | 239,249.60                               |              | 239,249.60         |
| Total Unexpended Appropriations                | -  | 531,293.71                               |              | 531,293.71         |
| Net Position                                   | -  | \$ 410,235.72                            |              | \$ 410,235.72      |

**U.S. INTERAGENCY COUNCIL ON HOMELESSNESS**  
**STATEMENT OF CHANGES IN NET POSITION**  
**As of And For The Years Ended September 30, 2015 & 2014**

FY 2014 (PY)

|  | Funds From Dedicated<br>Collections (Consolidated<br>Totals) | All Other Funds<br>(Consolidated Totals) | Eliminations | Consolidated Total    |
|--|--|--|--------------|-----------------------|
| <b>Cumulative Results of Operations:</b>       |  |  |              |                       |
| Beginning Balances                             | -  | \$ (84,455.81)                           |              | \$ (84,455.81)        |
| <b>Budgetary Financing Sources:</b>            |  |  |              |                       |
| Appropriations used                            | -  | 3,294,772.70                             |              | 3,294,772.70          |
| <b>Other Financing Sources (Non-Exchange):</b> |  |  |              |                       |
| Imputed financing                              | -  | 120,550.51                               |              | 120,550.51            |
| Total Financing Sources                        | -  | 3,415,323.21                             | -            | 3,330,867.40          |
| Net Cost of Operations                         |  | <u>3,448,271.38</u>                      |              | <u>3,448,271.38</u>   |
| Net Change                                     | -  | (32,948.17)                              |              | (32,948.17)           |
| <b>Cumulative Results of Operations</b>        | -  | (117,403.98)                             |              | (117,403.98)          |
| <b>Unexpended Appropriations:</b>              |  |  |              |                       |
| Beginning Balance                              | -  | 175,073.80                               |              | 175,073.80            |
| <b>Budgetary Financing Sources:</b>            |  |  |              |                       |
| Appropriations received                        | -  | 3,500,000.00                             |              | 3,500,000.00          |
| Other adjustments                              | -  | (88,256.99)                              |              | (88,256.99)           |
| Appropriations used                            | -  | <u>(3,294,772.70)</u>                    |              | <u>(3,294,772.70)</u> |
| Total Budgetary Financing Sources              | -  | <u>116,970.31</u>                        |              | <u>116,970.31</u>     |
| Total Unexpended Appropriations                | -  | <u>292,044.11</u>                        |              | <u>292,044.11</u>     |
| Net Position                                   | -  | <u>\$ 174,640.13</u>                     |              | <u>\$ 174,640.13</u>  |



# U.S. INTERAGENCY COUNCIL ON HOMELESSNESS

## STATEMENT OF BUDGETARY RESOURCES

As of And For The Years Ended September 30, 2015 & 2014

|  | <u>2015</u><br><u>Budgetary</u> | <u>2014</u><br><u>Budgetary</u> |
|--|---------------------------------|---------------------------------|
| <b>BUDGETARY RESOURCES</b>   |                                 |                                 |
| Unobligated balance brought forward, October 1                     | \$ 242,502.90                   | \$ 174,884.30                   |
| Unobligated balance brought forward, October 1, adjusted           | 242,502.90                      | 174,884.30                      |
| Recoveries of prior year unpaid obligations (unobligated balances) | 106,405.14                      |                                 |
| Other changes in unobligated balance                               | <u>(18,069.98)</u>              | <u>(88,256.99)</u>              |
| Unobligated balance from prior year budget authority, net          | 330,838.06                      | 86,627.31                       |
| Appropriations (discretionary and mandatory)                       | 3,530,000.00                    | 3,500,000.00                    |
| Spending authority from offsetting collections                     | 34.20                           | 11,421.61                       |
| <b>Total budgetary resources</b>                                   | <u>\$ 3,860,872.26</u>          | <u>\$ 3,598,048.92</u>          |
| <br><b>STATUS OF BUDGETARY RESOURCES</b>                           |                                 |                                 |
| Obligations incurred   | (Note 8) \$ 3,546,283.53        | \$ 3,355,546.02                 |
| Apportioned  | 63,784.48                       | 157,371.82                      |
| Unapportioned  | <u>250,804.25</u>               | <u>85,131.08</u>                |
| Unobligated balance brought forward, end of year                   | <u>314,588.73</u>               | <u>242,502.90</u>               |
| <b>Total budgetary resources</b>                                   | <u>\$ 3,860,872.26</u>          | <u>\$ 3,598,048.92</u>          |
| <br><b>CHANGE IN OBLIGATED BALANCE</b>                             |                                 |                                 |
| Unpaid obligations, brought forward, October 1 (gross)             | \$ 393,945.39                   | \$ 91,583.57                    |
| Obligations incurred   | 3,546,283.53                    | 3,355,546.02                    |
| Outlays (gross) (-)  | (3,316,744.02)                  | (3,053,184.20)                  |
| Recoveries of prior year unpaid obligations (-)                    | <u>(106,405.14)</u>             | <u></u>                         |
| Unpaid obligations, end of year                                    | 517,079.76                      | 393,945.39                      |
| Obligated balance, start of year (net)                             | 393,945.39                      | 91,583.57                       |
| Obligated balance, end of year (net)                               | (Note 9) <u>\$ 517,079.76</u>   | <u>\$ 393,945.39</u>            |
| <br><b>BUDGET AUTHORITY AND OUTLAYS, NET</b>                       |                                 |                                 |
| Budget authority, gross (discretionary and mandatory)              | \$ 3,530,034.20                 | \$ 3,511,421.61                 |
| Actual offsetting collections (discretionary and mandatory) (-)    | <u>(34.20)</u>                  | <u>(11,421.61)</u>              |
| Budget authority, net (discretionary and mandatory)                | 3,530,000.00                    | 3,500,000.00                    |
| Outlays, gross (discretionary and mandatory)                       | 3,316,744.02                    | 3,053,184.20                    |
| Actual offsetting collections (discretionary and mandatory) (-)    | <u>(34.20)</u>                  | <u>(11,421.61)</u>              |
| Outlays, net (discretionary and mandatory)                         | <u>3,316,709.82</u>             | <u>3,041,762.59</u>             |
| Agency outlays, net (discretionary and mandatory)                  | <u>\$ 3,316,709.82</u>          | <u>\$ 3,041,762.59</u>          |

## **U.S. INTERAGENCY COUNCIL ON HOMELESSNESS APPROPRIATED FUND**

### **Note 1 – Significant Accounting Policies**

#### ***Reporting Entity***

Congress established the U.S. Interagency Council on Homelessness in 1987 with the passage of the Stewart B. McKinney Homeless Assistance Act. The mission of the United States Interagency Council on Homelessness (USICH) is to coordinate the federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness.

#### ***Basis of Presentation***

These financial statements have been prepared from the accounting records of the U.S. Interagency Council on Homelessness in accordance with generally accepted accounting principles (GAAP) as promulgated by the Federal Accounting Standards Advisory Board (FASAB), and OMB (Office of Management and Budget) Circular A-136, “Financial Reporting Requirements.” GAAP for Federal entities is the Hierarchy of accounting principles prescribed in the American Institute of Certified Public Accountant’s (AICPA) Statement on Auditing Standards No. 91, *Federal GAAP Hierarchy*.

OMB Circular A-136 requires agencies to prepare principal statements, which include a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, and a Statement of Budgetary Resources. The balance sheet presents, as of September 30, 2015, amounts of future economic benefits owned or managed by the U.S. Interagency Council on Homelessness (assets), amounts owed by the U.S. Interagency Council on Homelessness (liabilities), and amounts, which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the U.S. Interagency Council on Homelessness and other reporting entities. The Statement of Budgetary Resources reports an agency’s budgetary activity.

#### ***Basis of Accounting***

Transactions are recorded on the accrual accounting basis in accordance with general government practice. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

#### ***Revenues and Other Financing Sources***

The U.S. Interagency Council on Homelessness is an appropriated fund and receives appropriations. Other financing sources for the U.S. Interagency Council on Homelessness consist of imputed financing sources which are costs financed by other Federal entities on behalf of the

U.S. Interagency Council on Homelessness, as required by Statement of Federal Financial Accounting Standard (SFFAS) No. 5, Accounting for Liabilities of the Federal Government.

**Note 2 – Fund Balance With Treasury**

All of the U.S. Interagency Council on Homelessness fund balance with treasury comes from appropriations. This fund balance with treasury is a consolidated balance of five annual funds (910: FY 2011, FY 2012, FY 2013, FY 2014, and FY 2015) and one no-year fund (910X). The annual fund for FY 2010 was cancelled and the remaining fund balance of \$18,069.98 was given back to U.S. Treasury during fiscal year 2015.

|   | <u>FY 2015</u>       | <u>FY 2014</u>       |
|---|----------------------|----------------------|
| A. Fund Balance with Treasury           |                      |                      |
| Appropriated Fund                       | \$ 831,668.49        | \$ 636,448.29        |
| B. Status of Fund Balance with Treasury |                      |                      |
| 1) Unobligated Balance                  |                      |                      |
| a) Available                            | \$ 63,784.48         | \$ 157,371.82        |
| b) Unavailable                          | 250,804.25           | 85,131.08            |
| 2) Obligated Balance not yet Disbursed  | 517,079.76           | 393,945.39           |
| Total                                   | <u>\$ 831,668.49</u> | <u>\$ 636,448.29</u> |

**Note 3 – Accounts Receivable, Net**

The line item represents the Account Receivable Claims from Associates. It is showing a debit balance. The direct write-off method is used for uncollectible receivables.

|                          | <u>FY 2015</u>     | <u>FY 2014</u>   |
|--------------------------|--------------------|------------------|
| A/R Claims- Non- Federal | \$ 8,381.14        | \$ 884.58        |
| Total                    | <u>\$ 8,381.14</u> | <u>\$ 884.58</u> |

**Note 4 - General Property, Plant and Equipment, Net**

As of September 30, 2015 the U.S. Interagency Council on Homelessness shows Equipment – Administrative total cost of \$34,250.94 and a net book value of \$9,788.94. The Accumulated Depreciation to date shows a balance of \$24,462. The depreciation calculation method used is Straight Line with a useful life of 5 years. However, for the items that were obligated in FY 2003 and received in FY 2005, the useful life is 3 years. A \$5,000 threshold is used to determine whether items are capitalized.

| <u>FY 2015</u> | <u>Equipment</u>   | <u>Furniture &amp;<br/>Fixtures</u> | <u>Software</u> | <u>Total</u>       |
|----------------|--------------------|-------------------------------------|-----------------|--------------------|
| Cost           | \$ 34,250.94       | \$ -                                | \$ -            | \$ 34,250.94       |
| Accum. Depr.   | (24,462.00)        |                                     |                 | (24,462.00)        |
| Net Book Value | <u>\$ 9,788.94</u> | <u>\$ -</u>                         | <u>\$ -</u>     | <u>\$ 9,788.94</u> |

| <u>FY 2014</u> | <u>Equipment</u> | <u>Furniture &amp;<br/>Fixtures</u> | <u>Software</u> | <u>Total</u> |
|----------------|------------------|-------------------------------------|-----------------|--------------|
| Cost           | \$ 22,197.94     | \$ -                                | \$ -            | \$ 22,197.94 |
| Accum. Depr.   | (22,197.94)      |                                     |                 | (22,197.94)  |
| Net Book Value | <u>\$ -</u>      | <u>\$ -</u>                         | <u>\$ -</u>     | <u>\$ -</u>  |

**Note 5 – Liabilities Not Covered by Budgetary Resources**

Liabilities of U.S. Interagency Council on Homelessness are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2015, U.S. Interagency Council on Homelessness showed liabilities covered by budgetary resources of \$300,374.78 and liabilities not covered by budgetary resources of \$139,228.07.

Liabilities covered by budgetary resources is composed of Accounts Payable \$225,263.80, Employer Contributions and Payroll Taxes Payable \$17,472.58; and Accrued Funded Payroll and Leave \$57,638.40.

|  | <u>FY 2015</u>       | <u>FY 2014</u>       |
|--|----------------------|----------------------|
| With the Public                                      |                      |                      |
| Accounts Payable                                     | \$ 29,018.43         | \$ 29,018.43         |
| Other  | 110,209.64           | 89,270.13            |
| Total liabilities not covered by budgetary resources | 139,228.07           | 118,288.56           |
| Total liabilities covered by budgetary resources     | 300,374.78           | 344,404.18           |
| Total Liabilities                                    | <u>\$ 439,602.85</u> | <u>\$ 462,692.74</u> |

**Note 6 – Other Liabilities**

Other liabilities with the public consist of Accrued Funded Payroll and Leave of \$57,638.40, Unfunded leave of \$110,209.64, and Employer Contributions and Payroll Taxes Payable – TSP of \$2,448.73. Other Intragovernmental liabilities consist of Employer Contributions and Payroll Taxes Payable \$15,023.85.

|        | <u>With the Public</u> | <u>Non-Current</u> | <u>Current</u> | <u>Total</u>  |
|--------|------------------------|--------------------|----------------|---------------|
| FY2015 | Other Liabilities      | \$ 110,209.64      | \$ 60,087.13   | \$ 170,296.77 |
| FY2014 | Other Liabilities      | \$ 89,270.13       | \$ 45,841.82   | \$ 135,111.95 |

|         | <u>Intragovernmental</u> | <u>Non-Current</u> | <u>Current</u> | <u>Total</u> |
|---------|--------------------------|--------------------|----------------|--------------|
| FY 2015 | Other Liabilities        | \$ -               | \$ 15,023.85   | \$ 15,023.85 |
| FY 2014 | Other Liabilities        | \$ -               | \$ 11,373.35   | \$ 11,373.35 |

**Note 7 – Intragovernmental Costs and Exchange Revenue**

Intragovernmental costs are those of goods/services purchased from a federal entity.

|                         | <u>Total<br/>FY 2015</u> | <u>Total<br/>FY 2014</u> |
|-------------------------|--------------------------|--------------------------|
| Program A               |                          |                          |
| Intragovernmental costs | 803,075.34               | 1,044,898.03             |
| Public costs            | 2,567,772.59             | 2,403,373.35             |
| Total Program A costs   | 3,370,847.93             | 3,448,271.38             |
| Total Program A         | 3,370,847.93             | 3,448,271.38             |

**Note 8 – Apportionment Categories of Obligations Incurred**

All obligations for the U.S. Interagency Council on Homelessness, is the amount of direct obligations incurred against amounts apportioned under category B on the latest SF 132.

|                   | <u>Total<br/>FY 2015</u> | <u>Total<br/>FY 2014</u> |
|-------------------|--------------------------|--------------------------|
| Direct            |                          |                          |
| Category B        | \$ 3,546,283.53          | \$ 3,355,546.02          |
| Total Obligations | \$ 3,546,283.53          | \$ 3,355,546.02          |

**Note 9 – Undelivered Orders at the End of the Period**

The amount of Unpaid Obligated Balance, Net, End of Period includes obligations relating to Undelivered Orders (good and services contracted for but not yet received at the end of the year) and Delivered Orders, Unpaid (amounts owed at the end of the year for goods and services received).

|         | Undelivered<br>Orders | Delivered<br>Orders, Unpaid | Obligated<br>Balance Net |
|---------|-----------------------|-----------------------------|--------------------------|
| FY 2015 | \$ 216,704.98         | \$ 300,374.78               | \$ 517,079.76            |
| FY 2014 | \$ 49,541.21          | \$ 344,404.18               | \$ 393,945.39            |

**Note 10 – Reconciliation of Net Cost of Operations (proprietary) to Budget (formerly the Statement of Financing)**

Liabilities not covered by budgetary resources total \$139,228.07 and the change in components requiring or generating resources in future period shows \$20,939.51. The \$20,939.51 is the net increase of future funded expenses – leave between appropriations of annual fund 2014 and annual fund 2015. Accrued funded payroll liability is covered by budgetary resources and is included in the net cost of operations. Whereas, the unfunded leave liability includes the expense related to the increase in annual leave liability for which the budgetary resources will be provided in a subsequent period.

|   | FY 2015       | FY 2014       |
|---|---------------|---------------|
| Liabilities not covered by budgetary resources      | \$ 139,228.07 | \$ 118,288.56 |
| Change in components requiring/generating resources | \$ 20,939.51  | \$ 31,479.99  |

**Note 10 – Reconciliation of Net Cost of Operations (proprietary) to Budget (formerly the Statement of Financing), Continued**

|   |                        |                        |
|---|------------------------|------------------------|
| Budgetary Resources Obligated   | \$ 3,546,283.53        | \$ 3,355,546.02        |
| Spending Authority from Recoveries and Offsetting Collections   | (106,439.34)           | (11,421.61)            |
| Imputed Financing from Costs Absorbed by Others   | 94,513.50              | 120,550.51             |
| Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided | (167,163.77)           | (49,351.71)            |
| Resources that Finance the Acquisition of Assets  | (19,549.56)            | 1,468.18               |
| Financing Sources Yet to be Provided  | 20,939.51              | 31,479.99              |
| Components Not Requiring or Generating Resources  | <u>2,264.06</u>        | <u></u>                |
| Net Cost of Operations  | <u>\$ 3,370,847.93</u> | <u>\$ 3,448,271.38</u> |

**Note 11 – Operating Lease and Future Lease Payments**

USICH occupies office space under a lease agreement that is accounted for as an operating lease. USICH moved office locations in November, 2013, with greatly reduced, new office space rent amounts effective October 1, 2013. The current office lease term began on October 1, 2013 and expires on October 31, 2015. Lease payments are increased annually based on the USICH's proportionate share of the building's operating expenses and real estate taxes. The total operating lease expenses as of September 30, 2015 and 2014 were \$218,401 and \$440,320, respectively.

Below is a schedule of estimated future payments for the term of the lease.

| <b>Fiscal Year</b>                      | <b>Office Space<br/>Cost Estimates</b> |
|---|--|
| 2016                                    | \$222,037                              |
| 2017                                    | \$226,720                              |
| 2018 (current lease expires 10/31/2017) | \$16,100                               |
| Total future payments                   | \$464,857                              |